

EUREKA COUNTY BOARD OF COMMISSIONERS

March 12, 2015

STATE OF NEVADA)
 :ss
COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on March 12, 2015, for a budget meeting. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; and Executive Assistant, Jackie Berg. The meeting was called to order at 2:00 p.m. and began with the Pledge of Allegiance. The interactive video conferencing system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

APPROVAL OF AGENDA

Commissioner Sharkozy motioned to approve the March 12th agenda; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments. Cindy Adams thanked the Board for moving forward with a survey of the Biale property. The Biale Family Trust has offered to donate property on Main Street in Eureka for purposes of building a Veterans’ Memorial Park. In considering the offer, along with current budget constraints, the Board felt it would only be feasible to build the park if grants or donations can be obtained. Ms. Adams informed the Board that she has received a promising grant package from Land & Water Conservation Fund, which will grant up to \$300,000.00. This is a 50/50 grant, but the value of the land can be considered for the County’s share. She will continue looking for other fund sources. She will go before the Recreation Board to request \$5,000.00 to take the conceptual design to an architect. In conclusion, Ms. Adams provided the Board with a list of Veteran’s Memorials across the State, adding that she hoped Eureka could be added to the list.

APPROVAL OF MINUTES

February 20, 2015: Commissioner Etchegaray motioned to approve the minutes of the February 20, 2015, meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

PUBLIC WORKS

Contribution in Aid: Public Works Director, Ron Damele, asked that the Public Works item be tabled. Commissioner Sharkozy motioned to table the item related to a contribution in aid for installation of primary underground cable and terminations at the Eureka Canyon Subdivision; Commissioner Etchegaray seconded the motion; motion carried 3-0.

HEALTH INSURANCE COMMITTEE

Update on Insurance Plans: Kim Todd, Chair of the Health Insurance Committee, and Toni Wright, Member, appeared before the Board to give an update on progress related to insurance plans and premiums for the upcoming fiscal year. Ms. Todd visited with the broker on March 11th and health insurance proposals indicate the County has a loss ratio as high as 115% (typical loss ratio for Eureka County has been 80%). This is based on claims experience, which included two large claims over \$100,000.00, but also showed a disturbing trend over the past year. Emergency room visits (particularly at Northeastern Nevada Regional Hospital) have increased substantially for non-emergency coded diagnoses. Unfortunately, this dramatic increase in emergency room visits will affect the premium rate for the upcoming fiscal year. The Commissioners agreed to take a look at the broker’s recommendation of placing a rider on the insurance policy. This would instate a higher co-pay when emergency rooms are used for non-emergency issues. This would discourage these types of visits and would help offset the increase in premiums. There are two urgent care facilities in Elko that are appropriate for non-emergency visits and both are preferred providers under the County’s insurance. Chairman Goicoechea recommended that this information be sent out in the next payroll checks.

Direction Related to Insurance Plans & Premiums: In January, the Board indicated that a 10% increase in insurance premiums would be an acceptable number. In light of the budget shortfalls, the Committee asked if a different number should be targeted. The Board agreed that a 10% increase would still be doable. Although medical premiums are yet unknown, Ms. Todd reported that no increases are anticipated for dental and vision premiums.

The Committee asked for direction related to plan deductibles and number of plans offered. The Board agreed to continue offering three health plans and prefer to leave the deductibles at \$1,000.00, \$1,500.00, and \$3,000.00.

Options for Cost Savings: The Health Insurance Committee provided several options that could help lower the insurance costs to the County: (a) a 50/50 split on dependent coverage for

new employees; (b) an 80/20 split on dependent coverage for elected officials and at-will employees; (c) a requirement that employees to pay 100% of premiums for dental and vision; and/or (d) have employees pay a flat rate for employee only coverage. The Commissioners didn't wish to implement anything that equated a pay cut for the employees, especially in light of not being able to offer a cost of living adjustment for the upcoming fiscal year. They did agree to take a look at the 50/50 split on dependent coverage for new hires and the 80/20 split on dependent coverage for elected officials and at-will employees hired after July 1, 2015.

HealthSpot Stations: Information was provided regarding HealthSpot stations, which are private, walk-in medical kiosks that allow patients to interact with healthcare providers via video conferencing. These have a one-time set-up and equipment cost of \$25,000.00, plus annual staffing costs.

COMMISSIONERS

Proposed Increase in HRBWA Fees: A request was received from Humboldt River Basin Water Authority for an additional \$2,000.00 in funding for the current fiscal year (increasing the member assessment from \$10,000.00 to \$12,000.00 for Fiscal Year 2014-2015), and proposing a member assessment of \$12,000.00 for Fiscal Year 2015-2016. One purpose of this increase was to add \$19,413.37 to the current services agreement with Executive Director, Mike Baughman. The justification provided at the last HRBWA meeting was time and travel expended by the Executive Director on legislative issues. The HRBWA budget for Fiscal Year 2015-2016 contemplates a \$9,000.00 increase to the services agreement.

Comparatively, annual fees to the Central Nevada Regional Water Authority are \$7,500.00 and they accomplish much in return for those monies. The Commissioners discussed the additional fees requested by HRVWA and felt the timing was poor due to the budget shortfalls the County is facing. Chairman Goicoechea suggested sending the additional \$2,000.00 for the current year since the organization is out of money, but felt a letter should be written expressing the County's concerns over moving forward with an increased budget rather than addressing costs.

Commissioner Etchegaray motioned to pay an additional \$2,000.00 in member assessments to Humboldt River Basin Water Authority for the current fiscal year, provided a letter is sent, signed by the Chairman, expressing the County's concerns related to the proposed increased budget; Commissioner Sharkozy seconded the motion. Motion carried 3-0.

FISCAL YEAR 15-16 TENTATIVE BUDGET – DEPARTMENTAL BUDGETS

Information Technology & County Network: Budget Director, Michael Mears, referred the Commissioners to the **Data Processing** budget. This budget funds the salary for the IT/Network Analyst and supports the County network, phone contracts, and other related items.

Mr. Mears contacted Advanced Data Systems in Carson City regarding the County's need for IT support. An agreement was initiated and the transition from current IT/Network Analyst, Kyle Moore, to ADS services will begin on March 23rd. ADS will provide most services remotely, but will travel to Eureka when needed. The contract will outline services at an hourly rate of \$100.00. Based on current needs, Mr. Mears estimates this will run approximately \$3,000.00 a month. He recommends that the County try this contract for at least six months.

Salaries and wages will be removed from the Data Processing budget, but contract services will be increased to accommodate this contract. Mr. Mears noted that employees will need to make use of other tech support sources, which are often provided with software and hardware, to avoid driving up the monthly contract costs.

Juvenile Probation: Mr. Mears acknowledged that **Juvenile Probation** was able to make additional reductions to the budget that was proposed on February 20th.

Opera House, Sentinel Museum, & Economic Development: Andrea Rossman submitted additional reductions for the **Opera House** and **Economic Development**. Until now, community events have been budgeted under economic development, but the Economic Development Program Board does not feel these activities are in line with their purpose. Mr. Mears recommended moving the events and the Department Assistant's wages into a category for southern County activities, similar to how the Crescent Valley Activities Program is budgeted. The Commissioners agreed.

Southern County Activities: Department Assistant, Cindy Beutel, prepared budget estimates to cover events for the upcoming fiscal year. Most events are supplemented with donations and grants. The Commissioners reviewed the written estimate and offered one change. They suggested the County phone book be published every other year, which would save \$3,500.00 in off years, including the upcoming fiscal year.

Justice Courts: Justice Court Manager, Cindy Garcia, presented proposed budgets for the Justice Courts. Justice of the Peace, John Schweble, was also in attendance. Services and supplies for **Beowawe Justice Court** were cut approximately 16.5%. Machine maintenance, underbudgeted in the current fiscal year, had to be increased and this affected the overall percentage. Ms. Garcia explained that an upgrade is needed for the Jefferson Audio Video System (JAVS) at an estimated cost of \$31,574.00. This system has never worked properly for

the Beowawe court due to a lack of bandwidth to support the interconnectivity features. Ms. Garcia recommended researching an alternative system and the Commissioners agreed. Monies for this capital outlay can be taken from the AA (Administrative Assessments) Fund or the Facility Fund. Both of these funds generate independent revenues through court fees.

Chairman Goicoechea asked about the possibility of merging the two townships into a single township to eliminate duplicity in the budgets. Ms. Garcia responded that the two courts have talked about the possibility and Administrative Office of the Courts is willing to provide assistance in the process. District Attorney Beutel advised that the Board of County Commissioners has authority over township boundaries and a minimum of one Judge is required per township. Change in number of Judges would have to coincide with terms of office and the election cycle.

Ms. Garcia reviewed line items for the **Eureka Justice Court**. Many categories were already at a minimum, but overall services and supplies were reduced by 21%. The court has several pass-through accounts to document monies received and paid out for execution fees, restitution payments, etc. In the past, amounts have been estimated in the budgets, but Ms. Garcia felt it was misleading to budget pass-through amounts. Mr. Mears will check with the external auditors to find out if there is a reason these must be accounted for in the budget.

There was a brief discussion about the AA Fund and Facility Fund and what expenditures are allowed by statute. A capital outlay purchase or reduced categories in the budget may rely on supplementation from these funds.

District Attorney: The Board reviewed the proposed budgets submitted by District Attorney, Ted Beutel. Services and supplies were reduced by 40% in the **District Attorney** budget and by 25% in the **Law Library** budget.

Planning Commission: Department Assistant, Anne Kniefel, submitted budget requests for the **Planning Commission**, with a 25% reduction in services and supplies. The line item for machine maintenance should be removed since the Planning Commission is no longer using that copy machine.

Fair Board: Ms. Kniefel explained that based on earlier direction, that indicated budgets would remain status quo, the **Fair Board** moved forward with planning the 2015 County Fair. After receiving subsequent direction to cut 20-25%, they were able to reduce the budget by over 17%. Due to prior obligations, such as awarded bids, the Fair Board was limited in the cuts that could be made for the immediate fiscal year.

Television District: Ms. Kniefel submitted budget requests for the **Television District**. A capital outlay contingency was built into the budget for department operations and for each transmitter site (Tank Hill, Mary's Mountain, Prospect Peak, and Argenta Ridge). The Commissioners felt the contingency amounts could be combined under department operations and reduced to \$15,000.00. These monies could be used at any of the sites should a failure occur. If more money is needed before the end of the fiscal year, an augmentation will be done.

Similarly, contract services, totaling \$41,000.00, were allocated to department operations and to each transmitter site. The Television District is negotiating with a contractor from Elko to enter into a services agreement. An ongoing agreement will provide more continuity in site maintenance. Anticipated contract costs are \$25,000.00 to \$30,000.00. Pending more information after the next Television District meeting, the Commissioners asked that contract services be reduced to \$30,000.00. Ms. Kniefel clarified that another \$5,000.00 should remain in the budget to cover a lease agreement specific to Mary's Mountain.

Ambulance & EMS: EMS Coordinator, Mike Sullivan, originally proposed a budget with a \$5,000.00 reduction in services and supplies. Based on the Board's direction to cut 20-25%, he returned with additional cuts bringing the total reduction to over 23%. Mr. Sullivan reminded the Commissioners that number of ambulance runs has a direct effect on the **Ambulance & EMS** budget so, depending on number of calls, he may require a later augmentation

Mr. Sullivan has been accumulating information on ambulance rates in neighboring areas. Chairman Goicoechea indicated the Board will begin assessing various County fees after they are through the bulk of this budget season.

Natural Resources: Mr. Mears and Natural Resources Manager, Jake Tibbitts, explained that the reduced **Natural Resources** budget proposal for the upcoming fiscal year was based on the Natural Resources budget approved by the Commissioners for Fiscal Year 2014-2015. The final budget was later subjected to emergency modifications before transmittal to the Department of Taxation.

Mr. Tibbitts reviewed each line item. Many were reduced, some remained static because they were already at a minimum, and telephone was increased slightly to reflect actual costs. He explained that the Firewise Program and Wildlife Enhancement Project serve as pass-through categories. The Firewise Program is fully reimbursed with federal funds and the Wildlife Enhancement Project is mostly reimbursed (only \$14,000.00 of the \$40,000.00 in approved County funds has been spent to-date; the majority expended has been grant monies). Overall, services and supplies were reduced by 12%.

Natural Resources Advisory Commission: Mr. Tibbitts noted that salaries/wages and associated benefits in the **NRAC** budget can be reduced by 50%. Services and supplies were

reduced by 15%, for an overall reduction of 27% to the NRAC budget. Mr. Tibbitts noted that identified priorities, brought forward at an earlier meeting, were not built into this budget. NRAC asks that the Commissioners weigh the importance of these issues and consider creating a funding mechanism to support matters such as RS 2477 rights-of-way, water resources, sage grouse and related challenges, etc.

The Board briefly discussed the Water Planning Fund. After the Barrick Water Mitigation Fund was exhausted, the County established this fund for water related issues and, in some recent years, has assigned a portion of the tax rate to this fund. The possibility of replacing this fund with a similar fund that focuses on preservation of all natural resources was debated. This could be a means of financing the vital priorities identified by NRAC. A portion of the tax rate could be assigned and any financial windfalls – funds not anticipated or budgeted – could be allocated, at least in part, to the fund without impacting the overall budget.

Mr. Tibbitts added that NRAC suggested using a portion of the returned Community Development Corporation funds, since those were earmarked for economic development, and natural resources are the economic mainstay of Eureka County.

Diamond Valley Weed Control District: The casual position for the **Weed Control District** has been eliminated, and instead a contractor and/or Road Department employees do the spraying. Therefore, salaries/wages, benefits, and training can be removed from this budget.

Mr. Tibbitts showed that this was another Fiscal Year 2014-2015 budget severely reduced after receiving Commissioner approval, but before being filed with the State. Because of this, several line items had to be increased to reflect actual costs. Mr. Tibbitts requested a total of \$56,100.00 in services and supplies for the upcoming fiscal year, mostly attributable to chemicals and contract labor. This exceeds the \$30,000.00 ultimately filed in the previous budget, but is a 40% reduction from the \$92,500.00 originally approved. Most proposed costs will be offset, as the County has a \$50,000.00 BLM grant for weed spraying on public lands.

Mr. Mears pointed out that the Weed District has its own tax rate and is somewhat self-funding. Because residents in the District are taxed for weed abatement, the County is obligated to provide this service or stop collecting the rate. The Board agreed and accepted the proposed budget for the Weed District.

Diamond Valley Rodent Control District: The **Rodent Control District** also collects a tax rate and has built up a healthy fund balance, but has been fairly inactive in recent years. The Commissioners agreed to maintain the same allocation of \$30,000.00 for this budget. Commissioner Etchegaray will contact one of the Directors for the Diamond Valley Rodent Control District and ask them to work with the Natural Resources Manager and the District Attorney to formulate a treatment plan for the upcoming fiscal year.

County Advisory Board to Manage Wildlife: Mr. Tibbitts noted that, although this budget is tracked by the County, it is primarily State funded. The local **CAB** submitted a budget request to the State for \$4,500.00 to cover meeting and travel expenses. In past years, the County has supplemented this budget if funds run out or if special projects are pursued.

Eureka Conservation District: Mr. Tibbitts serves as the County representative on the Eureka Conservation District. The Conservation District typically requests an annual grant from the County. This past year, the County grant of \$38,250.00 allowed the Conservation District to pursue pinyon-juniper thinning and biochar projects, and enabled them to administer scoping for the Diamond Valley Groundwater Management Plan. Mr. Tibbitts asked for direction on anticipated funding for the upcoming fiscal year. The Board indicated that a grant 25% less than the previous year's would be considered.

Sheriff's Office / Jail / Animal Control: Sheriff Keith Logan presented proposed budgets for departments under his authority. Substantial adjustments were made to salaries/wages and benefits by removing four vacant positions that will not be filled under the attrition policy. Multiple line items in the **Sheriff** and **Jail** budgets coincide with personnel levels and will be adjusted down because of the eliminated positions. These include background checks, physicals, uniform allowances, and shooting range expenses. A contingency amount was budgeted pending proposed legislation that may burden the County with unfunded mandates. The **Animal Control** budget has now been absorbed into the Sheriff's budget.

Due to the reduction in personnel, Sheriff Logan asked for the ability to promptly fill a vacancy, should one occur, in any of the ten sworn positions. The Commissioners offered consensus that the Sheriff can immediately begin advertising but, in adherence to the attrition policy, must come before the Board before filling a vacancy.

Sheriff Logan plans to address the shortage in personnel by amending job descriptions. Deputies will be reclassified according to POST certification (Peace Officer Standards & Training). Position classes will be Deputy 1 (no certification), Deputy 2 (basic certification), and Deputy 3 (advanced certification). Rather than assigning each position to jail or patrol, these positions will be compatible with either assignment.

Sheriff Logan explained that upon being elected he is no longer eligible for PERS (Public Employees Retirement System), but is paying into Social Security at a rate of 6%. The County is still required to allocate an amount for his retirement, which is 40.5% for police and fire positions. When an individual is no longer eligible for PERS, NRS 286.560(5) allows the

retirement allocation to be paid into a separate retirement account at the same or a lesser percentage. Taking into account the Social Security deduction and the County's revenue shortfalls, Sheriff Logan proposed that 26.4% be paid into another retirement account. The Board declined to take action until the statute and other information concerning this can be reviewed in more detail.

Phone Lines: In reviewing budgets, several departments are being billed for phone lines not being used, or 'mystery' phone lines where a phone jack may exist, but a phone has never been installed. Attempts to eliminate charges associated with these lines have been unsuccessful. The Recorder & Auditor's office is conducting an audit on all phone lines throughout County offices, so this issue should be remedied shortly.

SHERIFF

Taser Replacement: Sheriff Logan explained that there are nine tasers that are outdated and parts are no longer available. He obtained a cost estimate to replace seven tasers and nine holsters (so that each person has their own holster). The tasers will be distributed as follows: two to the jail, two to patrol in Crescent Valley, and three to patrol in Eureka. The vendor offers an assurance plan with an annual payment for five years of \$1,333.85. After five years, the company will send seven new tasers.

Backup Batteries: The backup batteries that operate the jail and the communications system at the Sheriff's Office are beyond their projected life and in need of replacement. Sheriff Logan provided an estimate that was obtained a year and a half earlier, but the company has agreed to honor the quote.

Approval of Taser & Backup Battery Replacement: Commissioner Sharkozy motioned to authorize purchase of seven tasers and nine holsters from TASER International, including the first annual payment of the taser assurance plan (\$1,333.85), for a total amount of \$7,322.00; and authorized purchase of the backup batteries for the Sheriff's Office and Detention Facility from Eaton Corporation in the amount of \$11,861.00; with purchases to be made out of the current year's budget. Commissioner Etchegaray seconded the motion. Motion carried 3-0.

FUTURE MEETINGS

Set Date & Time of Next Budget Meeting: Commissioner Sharkozy motioned to schedule the next budget meeting for March 19th beginning at 1:00 p.m.; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Reschedule Quarterly Meeting: The Board considered an alternate date for the April 15th quarterly meeting due to a schedule conflict with Commissioner Sharkozy. After some discussion, Commissioner Sharkozy motioned to cancel the April 15th quarterly meeting and to hold the afternoon session of the April 6th meeting in Crescent Valley; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea called for public comments; there were none.

ADJOURNMENT

Commissioner Sharkozy motioned to adjourn the meeting; Commissioner Etchegaray seconded the motion; the meeting was adjourned at 5:17 p.m.

Approved by vote of the Board this 6th day of April, 2015.

/s/ J.J. Goicoechea

J.J. Goicoechea, Chairman

I, Jackie Berg, Commissioner Clerk, attest that these are a true, correct, and duly approved minutes of the April 12, 2015, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg

Jackie Berg, Executive Assistant

I, Beverly Conley, Clerk & Treasurer of Eureka County, acknowledge and accept the attached minutes as approved by the Board of Eureka County Commissioners and attested to by the Commissioner Clerk.

/s/ Beverly Conley

Beverly Conley, Clerk & Treasurer